



**BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS**

Requested Board Meeting Date: November 22, 2016

or Procurement Director Award

Contractor/Vendor Name (DBA): SOLON DEVELOPMENT LLC

Project Title/Description:

Solar Covered Parking Structure for Sporting Chance Center

Purpose:

Amendment of Award of Contract: Master Agreement No. MA-PO-16-353, Amendment No. 1. This amendment is being processed to document the decreased energy production of the "As Constructed" facility and not-to-exceed amount by \$38,667.00 from \$1,237,529.00 to \$1,198,862.00; and to replace Solar Service Agreement Exhibit 1.1: Expected and Guaranteed Performance Output, Solar Service Agreement Exhibit 4: Termination Fee Schedule, and Solar License Agreement Exhibit III: System and Equipment List. This amendment is essentially to "true-up" the original estimate to the final constructed production levels.

Administering Department Facilities Management.

Attachment: Amendment No. 1.

Procurement Method:

Pursuant to Pima County Procurement Code 11.12.060, Limited Competition Procurement, SOLON Development, LLC was selected as the contractor for Solar Covered Parking Structures by the Facilities Management Department (FMD). On June 7, 2016, the Board of Supervisors approved the award of five contracts for a twenty (20) year term to SOLON Development LLC, to design, finance, construct, operate and maintain solar facilities located on Pima County property to provide electricity to the Sporting Chance Center, the Medical Examiner, the Nanni Library, the Pima Animal Care Center and the Pima Air Space Museum in award amounts of \$1,237,529.00, \$795,553.00, \$839,751.00, \$319,835.00 and \$1,327,024.00, respectively.

Program Goals/Predicted Outcomes:

To reduce Pima County's electricity and operational costs and provide shaded parking for employees and members of the public. The expenditures do not increase general fund expenses, they displace expenditures that would otherwise be paid to TEP and avoid future TEP rate increases.

Public Benefit:

Reduction in Pima County's operational costs.

Metrics Available to Measure Performance:

Contractors delivery of kilowatt hours of electricity to the Sporting Chance Center each year shall be monitored by Facilities Management Department.

Retroactive:

No.

Original Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____

Effective Date: _____ Termination Date: _____ Prior Contract Number (Synergen/CMS): _____

Expense Amount: \$ _____ Revenue Amount: \$ _____

Funding Source(s): _____

Cost to Pima County General Fund: _____

Contract is fully or partially funded with Federal Funds? Yes No Not Applicable to Grant Awards

Were insurance or indemnity clauses modified? Yes No Not Applicable to Grant Awards

Vendor is using a Social Security Number? Yes No Not Applicable to Grant Awards

If Yes, attach the required form per Administrative Procedure 22-73.

Amendment Information

Document Type: MA _____ Department Code: PO _____ Contract Number (i.e., 15-123): 16-353

Amendment No.: 1 _____ AMS Version No.: 2 _____

Effective Date: November 22, 2016 _____ New Termination Date: _____

Expense Revenue Increase Decrease Amount This Amendment: \$(38,667.00)

Funding Source(s): Facilities Management Electricity Operating Budget

Cost to Pima County General Fund: \$(38,667.00) (No decrease; displaces budgeted TEP energy expenses)

Contact: John Nanosky *JN 11/4/16* _____ *Don Asch 11/4/16* _____

Department: Procurement *May 11/4/16* _____ Telephone: 520-724-8165

Department Director Signature/Date: *[Signature] 11/4/16* _____

Deputy County Administrator Signature/Date: *John Surber 11-7-16* _____

County Administrator Signature/Date: *C. P. [Signature] 11/7/16* _____
(Required for Board Agenda/Addendum Items)



PIMA COUNTY

MASTER AGREEMENT

PIMA COUNTY, ARIZONA

**THIS IS NOT AN ORDER - TRANSMISSION CONSTITUTES
CONTRACT EXECUTION**

Master Agreement No: 16000000000000000353

MA Version: 2

Page: 1 of 2

Description: Solar Covered Parking Structure for Sporting Chance Center

I S S U E R	Pima County Procurement Department
	130 W. Congress St. 3rd Fl
	Tucson AZ 85701
	Issued By: JOHN NANOSKY
	Phone: 5207248165
	Email: john.nanosky@pima.gov

T E R M S	Initiation Date: 06-07-2016
	Expiration Date: 06-06-2036
	Not Amount: \$1,198,862.00
	Old Amount: 0.00

V E N D O R	SOLON Development LLC	Contact: Luke Alm
	3840 S Palo Verde Rd #205	Phone: 602-390-6002
	Tucson AZ 85714	Email: luke.alm@solonamerica.com
		Terms: 0.00 %
		Days: 30

Shipping Method:
Delivery Type:
FOB:
Modification Reason Decreased the not-to-exceed amount by \$38,667.00 from \$1,237,529.00 to \$1,198,862.00. Attachment: Amendment No. 1.

This Master Agreement incorporates the attached documents, and by reference all instructions, Standard Terms and Conditions, Special Terms and Conditions, and requirements that are included in or referenced by the solicitation documents used to establish this agreement. All transactions and conduct are required to conform to these documents.



MASTER AGREEMENT DETAILS

PIMA COUNTY

Master Agreement No: 16000000000000000353

MA Version: 2

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1	Solar Electricity for Sporting Chance					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	KW	\$0.128			
2	Solar Electricity for Sporting Chance Free Form Line					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	KW	\$0.00			

PIMA COUNTY DEPARTMENT OF FACILITIES MANAGEMENT PROJECT: SOLAR COVERED PARKING STRUCTURE SPORTING CHANCE CENTER CONTRACTOR: SOLON DEVELOPMENT LLC CONTRACT NO.: MA-PO-16-353 VERSION 2 CONTRACT AMENDMENT NO.: ONE (01)	CONTRACT
	NO. <u>MA-PO-16-353</u>
	AMENDMENT NO. <u>1</u>
	This number must appear on all invoices, correspondence and documents pertaining to this contract.

ORIG. CONTRACT TERM: 06/07/2016 - 06/06/2036	ORIG. CONTRACT AMOUNT: \$ 1,237,529.00
TERMINATION DATE PRIOR AMENDMENT: 06/06/36	PRIOR AMENDMENTS: \$ 0.00
TERMINATION THIS AMENDMENT: 06/06/36	AMOUNT THIS AMENDMENT: \$ (38,667.00)
	REVISED CONTRACT AMOUNT: \$ 1,198,862.00

CONTRACT AMENDMENT

WHEREAS, Pima County (COUNTY) and SOLON DEVELOPMENT LLC (CURRENT CONTRACTOR) entered into the Solar Service Agreement (SSA) and Solar License Agreement (SLA) for services as referenced above; and

WHEREAS, during construction of the project the CURRENT CONTRACTOR and COUNTY approved modification of the initial design and have agreed to modify the Expected Performance Output, Guaranteed Performance Output, Termination Fee Schedule, and Requirements of the System, including equipment, and contract amount to allow payment for the continued provision of services during the term of the SSA and SLA; and

NOW, THEREFORE, the parties agree as follows:

DELETE & REPLACE: SSA Exhibit 1.1: Expected & Guaranteed Performance Output for Sporting Chance Center with Exhibit 1.1 A: Expected & Guaranteed Performance Output for Sporting Chance Center (Attached, 1-page).

DELETE & REPLACE: SSA Exhibit 4: TERMINATION FEE SCHEDULE with Exhibit 4-1 TERMINATION FEE SCHEDULE (Attached 1-page).

DELETE & REPLACE: Exhibit "III" (to SLA) with Exhibit "III-1" (to SLA) (Attached 1-page).

The parties may execute this Amendment in separate counterparts, none of which need contain the signatures of all Parties, each of which is an original, and all of which taken together constitute one and the same instrument. Any executed counterpart delivered by facsimile, Adobe Acrobat (PDF) or other electronic means constitutes an original for all purposes.

Except for the terms expressly modified by this Amendment and by previously executed Amendments, the Parties are not amending or modifying any other terms or conditions of the SSA or SLA. All other terms and conditions of the SSA and SLA remain in full force and effect and are binding upon the Parties.

The effective date of this Amendment is November 22, 2016.

IN WITNESS WHEREOF, the parties have affixed their signatures to this Amendment on the dates written below.

APPROVED:

Chair, Board of Supervisors

Date

CONTRACTOR:

B. Seibel
Signature

Brian Seibel, General Manager
Name and Title (Please Print)

11/3/16
Date

ATTEST

Clerk of Board

Date

APPROVED AS TO FORM:

Tobin Rosen
Tobin Rosen, Deputy County Attorney

11/3/16
Date

APPROVED AS TO CONTENT

Lisa Josker
Lisa Josker, Director, Facilities Management

11/3/16
Date

Exhibit 1.1 A

Expected & Guaranteed Performance Output for Sporting Chance Center

- a. The actual Expected Performance Output (kWh) (Column A) shall not exceed in any given year 563,082 kWh
- b. The Guaranteed Minimum Output (kWh) (Column B) shall be calculated at a minimum of 85% of Expected Performance Output (Column A); a greater percentage is acceptable.

Commercial Operation Date defined by Section 6.3 of the SLA and Exhibit VIII.

- d. The actual cost of electricity purchase from the utility during the last 12 months beginning for Sporting Chance Center approximately \$.139/kWh.

- e. The Total for Column C (Average weighted SSA price of Guaranteed Minimum Output) shall be calculated as the Total of Column E divided by the Total of Column B.

Column	A	B	C	D	E	F	G	H
YEAR	Expected Performance Output (kWh)	Guaranteed Minimum Output (kWh)	Supplier Price (\$/kWh)	Total Annual Cost for Expected Performance Output Electricity (\$) from Supplier Columns (A X C)	Total Annual Cost For Guaranteed Electricity (\$) From Supplier Columns (B X C)	Est TEP Cost \$/kWh+3%/year	Total Annual Cost For Guaranteed Electricity (\$) From TEP Columns (B X F)	Pima County Savings per year Columns (G-E)
1	490,940	417,289	\$0.1280	\$62,840	\$53,414	\$0.1280	\$53,414	\$0
2	488,485	410,328	\$0.1280	\$62,526	\$52,522	\$0.1318	\$54,098	\$1,576
3	486,043	408,276	\$0.1280	\$62,213	\$52,259	\$0.1358	\$55,442	\$3,183
4	483,613	406,235	\$0.1280	\$61,902	\$51,998	\$0.1399	\$56,820	\$4,822
5	481,195	404,203	\$0.1280	\$61,593	\$51,738	\$0.1441	\$58,232	\$6,494
6	478,789	402,182	\$0.1280	\$61,285	\$51,479	\$0.1484	\$59,679	\$8,199
7	476,395	400,172	\$0.1280	\$60,979	\$51,222	\$0.1528	\$61,162	\$9,940
8	474,013	398,171	\$0.1280	\$60,674	\$50,966	\$0.1574	\$62,682	\$11,716
9	471,643	396,180	\$0.1280	\$60,370	\$50,711	\$0.1621	\$64,239	\$13,528
10	469,284	394,199	\$0.1280	\$60,068	\$50,457	\$0.1670	\$65,836	\$15,376
11	466,938	392,228	\$0.1280	\$59,768	\$50,205	\$0.1720	\$67,472	\$17,266
12	464,603	390,267	\$0.1280	\$59,469	\$49,954	\$0.1772	\$69,145	\$19,184
13	462,280	388,315	\$0.1280	\$59,172	\$49,704	\$0.1825	\$70,857	\$21,162
14	459,969	386,374	\$0.1280	\$58,876	\$49,456	\$0.1880	\$72,608	\$23,172
15	457,669	384,442	\$0.1280	\$58,582	\$49,209	\$0.1936	\$74,432	\$25,224
16	455,381	382,520	\$0.1280	\$58,289	\$48,963	\$0.1994	\$76,282	\$27,319
17	453,104	380,607	\$0.1280	\$57,997	\$48,718	\$0.2054	\$78,176	\$29,460
18	450,838	378,704	\$0.1280	\$57,707	\$48,474	\$0.2116	\$80,120	\$31,646
19	448,584	376,811	\$0.1280	\$57,419	\$48,232	\$0.2179	\$82,111	\$33,880
20	446,341	374,927	\$0.1280	\$57,132	\$47,991	\$0.2244	\$84,152	\$36,161
Total	9,366,106	7,872,439	\$0.1280	\$1,198,862	\$1,007,872	\$0.1720	\$1,348,991	\$339,319

*Reflecting as "constructed" condition.

EXHIBIT 4-1

TERMINATION FEE SCHEDULE

In the event of a termination of this SSA pursuant to 3.1.2, 1 1.4.1, 1 1.4.4 as limited by Section 1 1.5.2, 1 1.4.6 as limited by Section I 1.5.1, or otherwise as compensation under Section 13.2, 14 or 18.6 COUNTY shall pay to LICENSEE an Early termination payment corresponding to the year in which early termination occurs.

The Early Termination Payment shall be calculated as described below and specifically set forth in the second column of the table below.

Early Termination Payment = Net Present Value of the annual contract price (per site) multiplied by the Guaranteed minimum Output, less the operating costs avoided due to the early termination, for each of the remaining years of the contract. The Early Termination Payment is also intended to include the amount of "recapture" damages imposed by the Internal Revenue Service upon LICENSEE (or its assigns or successors) in connection with the Investment Tax Credit (or related cash grants) as a result of an early termination by COUNTY.

If an early termination occurs on a date other than an anniversary of the Commercial Operation Date, the unpaid amount for that year will be calculated by multiplying the Early Termination Payment by a simple ratio of the number of months remaining until the anniversary of the Commercial Operation Date divided by 12 months.

YEAR OF TERMINATION	EARLY TERMINATION PAYMENT
1	\$1,481,040
2	\$1,407,714
3	\$1,304,598
4	\$1,229,744
5	\$1,165,202
6	\$811,173
7	\$764,198
8	\$725,243
9	\$686,289
10	\$646,189
11	\$606,088
12	\$565,606
13	\$527,797
14	\$489,606
15	\$451,033
16	\$412,461
17	\$373,506
18	\$334,552
19	\$294,833
20	\$255,115

Exhibit "III-1" (to SLA)

Requirements of System, including Equipment

System comprised of the following components:

- Approximately__ 864__ solar modules
- Approximately__ 6__ kW Inverter
- Associated equipment to assemble the above components into a working system

*Reflecting as "constructed" condition.